

SERVE! BATON ROUGE, INC.
Baton Rouge, Louisiana

FINANCIAL REPORT
(Compiled)

August 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-25-06

SERVE! BATON ROUGE, INC.
Baton Rouge, Louisiana

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Serve! Baton Rouge, Inc.
Baton Rouge, Louisiana

We have compiled the accompanying statement of financial position of **SERVE! BATON ROUGE, INC.** (a non-profit organization) as of August 31, 2005, and the related statements of activities, and cash flows for the year then ended in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
November 28, 2005

SERVE! BATON ROUGE, INC.

Baton Rouge, Louisiana

STATEMENT OF FINANCIAL POSITION

August 31, 2005

(See Independent Accountants' Compilation Report)

ASSETS

CURRENT

Cash	\$ 22,850
Grants receivable	24,265
Prepaid expenses	<u>128</u>
Total assets	<u>\$ 47,243</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 28,019
Accrued expenses	<u>2,948</u>
Total liabilities	<u>30,967</u>

NET ASSETS

Unrestricted	6,276
Temporarily restricted	<u>10,000</u>
Total net assets	<u>16,276</u>
Total liabilities and net assets	<u>\$ 47,243</u>

The accompanying notes to the financial statements
are an integral part of this statement.

SERVE! BATON ROUGE, INC.

Baton Rouge, Louisiana

STATEMENT OF ACTIVITIES

For the year ended August 31, 2005

(See Independent Accountants' Compilation Report)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Totals</u>
REVENUES			
Grants	\$ 110,279	\$ -	\$ 110,279
Other:			
Contributions	23,075	-	23,075
Golf tournament	14,885	-	14,885
Miscellaneous	27	-	27
In-kind contributions	645	-	645
	<u>148,911</u>	<u>-</u>	<u>148,911</u>
Total revenues			
	<u>148,911</u>	<u>-</u>	<u>148,911</u>
EXPENSES			
Program:			
Personnel	83,832	-	83,832
Operational	50,511	-	50,511
Administrative	17,341	-	17,341
Fundraising	3,990	-	3,990
	<u>155,674</u>	<u>-</u>	<u>155,674</u>
Total expenses			
	<u>155,674</u>	<u>-</u>	<u>155,674</u>
Decrease in net assets	(6,763)	-	(6,763)
NET ASSETS			
Beginning of year	<u>13,039</u>	<u>10,000</u>	<u>23,039</u>
End of year	<u>\$ 6,276</u>	<u>\$ 10,000</u>	<u>\$ 16,276</u>

The accompanying notes to the financial statements
are an integral part of this statement.

SERVE! BATON ROUGE, INC.

Baton Rouge, Louisiana

STATEMENT OF CASH FLOWS

For the year ended August 31, 2005

(See Independent Accountants' Compilation Report)

	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (6,763)
Change in operating assets and liabilities:	
Operating assets	(22,666)
Operating liabilities	<u>19,490</u>
Net cash used by operating activities	(9,939)
CASH	
Beginning of year	<u>32,789</u>
End of year	<u><u>\$ 22,850</u></u>

The accompanying notes to the financial statements
are an integral part of this statement.

SERVE! BATON ROUGE, INC.

Baton Rouge, Louisiana

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

Serve! Baton Rouge, Inc. (SBR) is a non-profit corporation whose purpose is to engage Americans of all ages and backgrounds as participants in community based service that provides a direct and demonstrable benefit that is valued by the community. Areas of service are education, public safety, the environment, and other human needs. SBR primarily operates in the Baton Rouge area.

Basis of presentation

The accounting and reporting policies of SBR conform to generally accepted accounting principles. Revenue is recognized when services are rendered and expenses are recognized when incurred.

SBR reports its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. SBR does not have any permanently restricted net assets at August 31, 2005.

Estimates

The preparation of financial statements in conformity with general accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates are used primarily when accounting for in-kind revenues and expenses.

Cash

For purpose of the statement of cash flows, SBR considers cash in operating bank accounts as cash. At August 31, 2005, SBR did not have any cash equivalents. Financial instruments which subject SBR to concentrations of credit risk consist primarily of cash. SBR typically maintains these balances in local banks that may, at times, exceed the FDIC limits.

Grant revenue recognition

Grants that apply to programs are recorded as a receivable when the grant is formally committed. Grants committed at year end which are applicable to the subsequent fiscal period are included in grants receivable and deferred income. The grant year matched SBR's fiscal year for the year ended August 31, 2005; therefore, there was no deferred revenue for the current year.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Temporarily Restricted Net Assets

Unrestricted net assets represent resources over which the Board of Directors has discretionary control and are used to carry out operations of SBR in accordance with its bylaws. Temporarily restricted net assets include contributions for support which are designated for specific community programs to be organized and implemented by SBR.

In-kind contributions

The value of contributed services to SBR has been recognized at the fair market value of the benefit received. Contributed services, during the year ended August 31, 2005, consists of fundraising activities related to SBR's golf tournament. Fundraising expenses were related to advertising and supplies donated to SBR. During the year ended August 31, 2005, SBR received \$645 as in-kind contributions.

Contributions of services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing these skills and would typically be purchased if not provided by donation.

Fair value of financial instruments

The carrying value of cash, receivables, prepaid expenses, accounts payable, and accrued expenses approximate fair value due to the short-term maturity of these instruments. None of the financial instruments are held for trading purposes.

Income taxes

The Corporation is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 2 - ECONOMIC DEPENDENCY

Grant revenue received through the State of Louisiana, for the year ended August 31, 2005 was approximately \$110,300 or 74% of revenues. Accordingly, SBR is economically dependent on the State of Louisiana.

NOTE 3 - RELATED PARTY

The East Baton Rouge School System receives funding from the Corporation for National Service through an AmeriCorps' federal grant. Expenditures of the grant are administered by the School System for all program costs. However, grant compliance responsibilities are administered by SBR, including periodic reporting to the federal government, fulfillment of matching requirements, program operations, maintenance of records and participant eligibility determinations. During 2005, the School System administered federal grant related expenditures of approximately \$176,100 and these costs are not reported in SBR's financial statements. At August 31, 2005, SBR owed the School System approximately \$27,500 to meet matching requirements associated with this grant.

NOTE 4 - LEASE AGREEMENT

The Organization leases office space for \$715 per month on an lease that expired and was renewed in August, 2005. Rent expense or the year ended 2005 was \$8,580.

NOTE 5 - SUBSEQUENT EVENT

Subsequent to August 31, 2005, a natural disaster, Hurricane Katrina, impacted New Orleans, Louisiana. As noted in Note 2, the State of Louisiana provided grant revenue totaling 74% of revenues for the year ended August 31, 2005. The effect of this disaster on future revenues and earnings of SBR is undeterminable at this time.